

April 18, 1979

LB 172

would cost and that is going to be a very minimum of the depreciation plus the inflation. Now when you go to the fact that because a facility was owned and it transferred owners by legitimate business transactions and the cost of doing business with that facility goes up, what in reality happened, in the real world what really happened was that the government was inadequately, inadequately formulizing in their formula what should have been payments for services given by that facility in the first place. The changing of the ownership of the facility brings out the air in the whole system of government cost containment controls. This industry, the health care industry, third party payments through insurance, et cetera, has been under severe government controls of every kind for twenty years and all their costs have done is just go up ten times. Imagine how high their costs would be if they weren't controlled and then we are in a position now to where the costs are so high we have got to control them further so that the cost won't go up any higher.

SPEAKER MARVEL: You have one minute.

SENATOR KELLY: I just submit to you that if you take out and you make individual investors with private money get permission from the government and let the government set the cost at which that facility can transfer, you just have confiscated the investment and this whole thing called private economy as it would effect the health care industry. Now public financing is entirely different than individuals who sign on the line but LB 172 treats them all the same, whether it is Lancaster County or whether it is John DeCamp, and that doesn't work right because John is a big man but not as big as Lancaster County. We should oppose these amendments.

SPEAKER MARVEL: Senator Kahle.

SENATOR KAHLE: Mr. Speaker, members of the body, not having been on the Health and Welfare Committee and studying this in advance it comes as kind of a surprise to me but I did serve on the health services agency from central Nebraska for a number of years, about seven, eight years ago, and we did try to control what was being built and what was being put into our hospitals. I thought we were quite efficient at it really and this area did include Hastings, Grand Island and Kearney of the larger towns and also many small hospitals besides and care homes. This health service agency was required by the federal government before anybody could get any grant money or loan money through Hill-Burton or any of the other funds that were available at that time and